



DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
Minerals & Mining Program - Oil & Gas Section
2050 West Main, Suite #1, Rapid City, SD 57702-2493
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FORM 2

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JUN 17 2004

DEPT OF ENVIRONMENT & NATURAL
RESOURCES - RCRO

APPLICATION FOR PERMIT TO DRILL

Type of work:		Type of well:			
<input checked="" type="checkbox"/> Drill New Well	<input type="checkbox"/> Reenter Well	<input checked="" type="checkbox"/> Oil Well	<input type="checkbox"/> Gas Well		
<input type="checkbox"/> Other _____	<input checked="" type="checkbox"/> Drill Directional Well	<input checked="" type="checkbox"/> Other	<input type="checkbox"/> Injection		
		<input type="checkbox"/> Horizontal Drilling			
Name and Address of Operator:			Telephone		
LUFF EXPLORATION COMPANY 1580 LINCOLN ST. SUITE 850 DENVER, CO			303-861-2468		
Name and Address of Surface Owner:					
Clair C. Janvrin, Jr. HC 63, Box 16, Ludlow, SD 57755					
Name and Address of Drilling Contractor and Rig Number:					
NABORS DRILLING USA, WILLISTON, ND & C&H WELL SERVICE, GILLETTE, WY					
Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):					
NESE SEC. 32-23N-5E, HARDING CO. 1800' FSL & 660' FWL					
If Directional, top of pay and bottom hole location from nearest lines of section:					
Top of pay - 8868'MD=TVD NE leg - 1500' FNL & 1980' FWL Sec. 33: SE leg - 1000' FSL & 2000' FWL Sec. 33					
Acres in Spacing (Drilling) Unit		Description of Spacing Unit			
640		E/2 Sec. 32 & W/2 Sec. 33 T23N-R5E			
JANVRIN I-32H		2974.7' UN-GRADED			
		RED RIVER			
		RED RIVER B			
Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 12 1/4	8 5/8	24	2000	500 SX LITE & 200 SX G	SURF
2) 7 7/8	5 1/2	17,20,23	9000	250 SX LITE & 400 SX G, 2 STAGE	4400'
3)					
4)					
Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use additional page(s) if appropriate.					
Drill a vertical well to approx. 9000'. DST the Red River B zone and run logs at TD. Run and cement 5 1/2" csg. Move in smaller rig. Mill csg. window from 8761'-8768' w/azimuth of 107 deg. Drill short radius curve and land in the Red River B zone at 8921'MD=8868' TVD. Drill 4 1/2" horizontal lateral to TD of 11605'MD=8868'TVD and BHL 1000' FSL & 2000' FWL of Sec.33. Mill second window from 8749'-8756' w/ azimuth of 80 deg. Drill short radius curve and land in Red River B at 8927'MD=8868'TVD. Drill 4 1/2" horizontal lateral to TD of 12,175'MD=8868'TVD at BHL 1500' FNL & 1980' FWL Sec. 33. See attached directional drilling plan. Oil base mud will be used to drill the vertical hole and fresh water/polymer fluid to drill the horizontal laterals. All drilling fluids will be contained in a 12 mil lined pit. Cuttings and liner will be buried in place. Completion will be through open hole. Anticipate starting operations in mid-June, 2004.					
I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.					
Signature		Name (Print)		Title	
Robert C. Arceneaux		Robert C. Arceneaux		Operations Mgr.	
				6-15-04	
				Date	

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Approved By: <u>Fred V. Steece</u>	Title: <u>Oil & Gas Supervisor</u>
Permit No. <u>1711</u>	API No. <u>40 063 20582</u>
Date Issued: <u>June 23, 2004</u>	
Conditions, if any, on attached page.	